



This view was taken at Laguna, Guatemala, looking across Lake Amatitlan, from the station.

A Glance at Guatemala

By AARON HARDY ULM

"I HAVE been writing a little memorandum with reference to an editorial I saw in one of your big eastern newspapers," said Dr. Julio Bianchi, minister from the Republic of Guatemala, at the modest but attractive Guatemalan legation on Ontario Road in Washington. "The editorial bears on a suggestion that, in case of the United States barring immigration, industrious Europeans might find Guatemala a good haven. The writer of the editorial doesn't agree with the suggestion, saying that all good land in Guatemala is held by big landowners and is cultivated in the form of gigantic plantations, and that outside workmen can't compete with native labor."

"There is an element of truth in what he says. But he will be surprised when he learns that land which will produce indefinitely two and sometimes three crops of corn a year may be purchased in Guatemala for \$1 an acre or less."

"What Guatemala needs most are small farm operators. Immigrants with industry and a little capital can get started easily there and be assured of a comfortable living, and good profits. We are not yet in position to take care of many immigrants who come as laborers, for the native population provides a big supply of cheap labor. What we need are persons who can work for themselves and not have to work for others, people who can use our native labor in small operations."

"My country is one of many opportunities, which under the new and liberal régime now in force are going to be made available."

The new Guatemalan minister came to this country on behalf of the new government that less than a year ago succeeded Cabrera, who for nearly a generation ruled the country virtually as a dictator. Dr. Bianchi is a physician by profession. He is a highly educated man, both generally and professionally, and speaks perfect idiomatic English, though he never studied outside of his own country. He is one of the leaders in the Unionist party which had most to do with overthrowing Cabrera. Hence he is an enthusiastic supporter of the new régime. Second to that he is enthusiastic for the movement that gave name to his

Panama, it seems, is not included in the proposed federation. This is because in the past it was nominally a part of South America.

"With the federation accomplished, Central America as a whole will move forward with great rapidity and soon become one of the strong units in the group of Americas," said the minister. "Without regard to that, however, Guatemala is in the beginning of an era of great progress. The economic situation is confused by circumstances dating into the past but steps toward clearing it up have been taken."

"Sixty years ago, civilization in Guatemala was confined to the capital city and one or two towns. Knowledge centered in the church and the monastic institutions, natural resources were virtually untouched, and cochineal, grown by a few rich men and well-to-do farmers, was practically the only export from a land suited to the cultivation of a wide variety of products and well off in mineral wealth also."

"Home industries supplied most of our needs, and exports were larger than imports, leaving a small surplus in our favor. Then aniline dyes were discovered and the price of cochineal dropped very low, upsetting the financial balance, and causing a revolution in the economy of the country."

"The growth and exportation of coffee was fostered to offset our losses in cochineal. Great progress was made in opening large tracts of land to cultivation, highways were built and schools established. High prices for coffee enabled the people to buy foreign goods and our home industries were smothered by imported products with which home manufactures couldn't compete."

"Then came a serious drop in coffee prices. Growers were forced to borrow large sums of money abroad, chiefly in Germany. The loans were obtained under contracts that virtually amounted to the advance sale of coffee crops at prices fixed by the purchasers. Freight rates were raised and the depression in the price of coffee continued. Our growers vainly sought extensions of time and when unable to honor drafts for balances due they were pitilessly persecuted. The little gold remaining in the country was exported in a futile effort to maintain balances; the exchange rates rose and at last our finest estates passed into the hands of foreign creditors. Thus began the régime of 'absentee landlordism' in Guatemala."

"In the late eighties a series of disasters carried our government to the verge of bankruptcy and caused it to adopt policies that produced the most serious problems that must be solved by the new administration. Nominally we had a gold standard but silver was the only metal used as money and there was a steady fall in the value of silver. Deciding against a foreign loan, the government applied to the home banks for the funds it needed and, to protect the banks, made, as an emergency measure, their banknotes irredeemable. This emergency measure, intended to remain in force for a period of only six months, has been in force for the last quarter of a century."

Cabrera came into power in 1898 and held control of the government until less than a year ago. Our new government, composed of the best men in the country and backed solidly by public opinion, faces some very difficult but not discouraging conditions."

"Official statistical reports show that Guatemala is in a satisfactory and flourishing condition. Exports have greatly exceeded imports during recent years, leaving a substantial surplus every season. However, one-third of the coffee exported, one-fifth of the sugar, practically all of the bananas, and all income from railroad and electric power companies belong to absentee owners and never come back to the country as money. Hence about forty per cent of our export trade is fictitious and the international balance of trade is, and has been for years, against us. Money is scarce, interest on loans prohibitive and exchange rates go higher and higher despite all efforts to check them. Gold coins left Guatemala in 1885, silver pesos in 1899, silver reales in 1905, nickel in 1915 and copper coins in 1918, the copper for some time having been worth more as metal than the face value of the coins."

"Our six independent banks have issued a total of about 360,000,000 pesos in unredeemable bills, repre-



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DR. JULIO BIANCHI,

Minister from Guatemala. His father, a native of Switzerland, lived in this country before settling in Central America. Before becoming a diplomat, the minister was one of the foremost physicians and surgeons in Central America. He is a staunch advocate of the formation of a United States of Central America.

sented at the present rate of exchange approximately \$9,000,000.

"For several years all important business has been transacted in American gold and interest rates on American currency have been as high as 18 per cent a year. There is in actual circulation more than \$1,000,000 of American money, and this sound money undoubtedly has been of substantial help to us."

"The new government employed Mr. E. Kemmerer, of Princeton University, to make a survey of the monetary situation. He has made a valuable report and his suggestions, based on establishing a sound gold standard, I believe will be carried out. Two American banking firms have representatives there now seeking a charter for the National Bank of Guatemala proposed by Mr. Kemmerer."

"Adoption of a gold standard and a better banking system are necessary before much progress can be made in developing Guatemala's rich resources."

"We need foreign help in the form of men and capital. I am willing to state that my government will welcome every clean man wishing to go to Guatemala or to invest there. Within the next ten years we should be in position to take care of a half million settlers of the immigrant type."

"We need immigrants to exploit the almost unbelievable wealth of our land. We have millions of acres of rich soil, covered with tropical forests of mahogany, cedar and soft woods, awaiting the hand of man to be turned into rich pastures, fields of sugar cane, cotton, which grows 10 feet high, and fields of corn. We produce rice, grapes, fruits of a hundred varieties, bearing in all seasons; and in the foothills and highlands we have the most wonderful climate and scenery to be found in all the Americas."

Dr. Bianchi is authority for the statement that such heat as we often know during the summertime in all parts of the United States is foreign to the climate of Guatemala. Even in the lowlands of the coastal plains, where about the only true tropical heat is known in Guatemala, the temperature, he says, has never been known to go above 100. In the plateau and mountain regions, which make up the greater portion of the country, the climate closely approximates eternal springtime. In many of the communities high above sea level the thermometer ranges in the forties and the small fifties throughout the year, but frost is never known."

A railroad runs across the country from the Atlantic to the seaboard, with a few branch lines or connections running in other directions. The railroads are owned by Americans, and one-half of the men employed in operating them are from the United States, says the Guatemalan minister. The "American colony" there is a large one, there being between 10,000 and 20,000 foreigners all told in the country."

The indigenous population of about 2,000,000 is about 70 per cent pure Indian, the remainder being whites, chiefly of Spanish origin and mixed. Illiteracy is high, especially among the pure blood Indians, who, the descendants of the ancient Mayas and Quiches—peoples that had reached a fair stage of civilization when America was discovered—are intelligent and docile."

The new government, says Dr. Bianchi, is considering measures looking to the education of the natives, the first purpose being to establish a school in every town or village with 500 or more population. Nearly all of the Indians speak Spanish, but the native languages are still remembered and used by some."

"Because of the democratic and sensible changes in Central American politics, brought about in recent years, I believe the era of revolutions and petty wars is ended," said the Guatemalan minister.

"Every man in our government today is willing to give the very best of his body and brain to his country whether the country be Guatemala alone or Guatemala

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Scenically, Guatemala is one of the most picturesque lands in all the Americas. The above is a view of Antigua, looking toward the volcanoes of Acatenango and Fuego.

party, the proposed and now all but crystallized United States of Central America.

"I am confident that sentiment in all five of the countries with independent governments in Central America, is for the formation of a federated government, somewhat on the order of your own United States. I am sure that 90 per cent of the people in Guatemala favors the movement which has long been advocated in all the countries and, I believe, favored by a majority of the people."

"Then why hasn't it prevailed already?"

"Well, many officeholders wouldn't be as important in the federal government as they are now with five governments providing high places for ambitious men. But the change will be made and, I believe, soon, for it is necessary to the full development of Central America which by race and geography is a single country."

"News reports indicate that agreement has been reached between all the governments except that of Nicaragua. When federation is accomplished you won't have to think of Central America solely in terms of a bunch of little republics but as one big nation extending from the Isthmus of Panama to Mexico."